

THE OVERSIGHT REPORT ON THE 2009/2010 ANNUAL REPORT

REPORT OF THE CHAIRPERSON OF THE MUNICIPAL SCOPA TO COUNCIL ON 16 MAY 2011

1. PURPOSE

To submit the Oversight Report that evaluates the 2009 / 2010 Annual Report to Council for consideration.

2. DOCUMENTATION

Annexure A: The 2009 / 2010 Annual Report

3. BACKGROUND

3.1 The Annual Report for 2009 / 2010 was tabled in Council on 31 January 2011. Section 129 (1) of the Municipal Finance Management Act (Act No 56 of 2003) states that the Council of the Municipality must consider the Annual Report of the Municipality and by no later than two months from the date on which the Annual Report was tabled in the Council, adopt an Oversight Report containing the Council's comments on the Annual Report, which must include a statement whether the Council has:

- a) Approved the Annual Report with or without reservations;
- b) Rejected the Annual Report; or
- c) Has referred the Annual Report back for revision of those components that can be resolved.

3.2 The Oversight Committee that has facilitated the evaluation of the Annual Report was comprised of the following members:

Councillor AT Thusi (Chairperson)
Councillor R Mungroo
Councillor VI Gumede
Councillor TA Hlatshwayo
Councillor AG Solomon
Mr T Mpungose – Community Representative (ward 9)
Mr ES Mchunu – Community Representative (ward 2)
Ms T Dlame – Community Representative (ward 6)
Mr P Nzama - Community Representative (ward 11)
Ms CD Mkhize – Community Representative (ward 8)
Ms K Khuzwayo – Community Representative (ward 5)

Also in attendance:

Mr R Mani – CFO

Mrs ND Mkhize – GM: Corporate Services
Mr A Weymouth – GM: Technical Services
Mr GM Zondi – GM: Community Services
Mr SN Mncwabe – IDP/PMS Manager
Ms JP Shange – Snr. Committee Officer

3.3 The process that was followed was as follows:

- a) Five Non-Executive Councillors were nominated by Council to serve on the Oversight Committee (MUNSCOPA). They were representative of all political parties represented in Council;**
- b) The Annual Report was placed at strategic points at all the local municipalities in the District;**
- c) A notice was placed in the print media announcing that the Annual Report is available for public scrutiny at local municipalities;**
- d) Eleven Community Representatives (one from each Ward Committee) were appointed to the Oversight Committee.**
- e) The Oversight Committee deliberated on their findings during the evaluation process and then compiled the 2009 /2010 Oversight Report; and**
- f) The Oversight Report is being tabled in Council on 16 May 2011.**

3.4 The Oversight Committee has specified its findings and recommendations in the Report in an effort to set in motion a cycle of continuous improvement in the District Municipality.

4. Comments on the Annual Report

4.1 In response to comments from CoGTA the following can be noted

- Performance targets for the following year were incorporated into the 2010/11 IDP**
- Comment on the assessment of the Accounting Officer was already included on page 49 of draft Annual Report, but might have been missed by CoGTA.**
- Response to the Auditor General's comments will be included in the final Annual Report.**
- Auditor General's comments also included/attached to the final report**
- Question was raised on the variance for some of the project values for a R200K difference on Ward 1 and Ward 6 creches, as well as a big difference (variance) in values between Gqugquma and Gobizembe Halls**

both being constructed in one year. Response given by CFO was that the budget for the Gobizembe Hall was almost the same as Gqugquma Hall but split over two years. (R1,4m) was only for one financial year (2009/10). Also the fact that these halls were unfortunately constructed by incompetent Contractors at the beginning. This problem was finally rectified. Estezi Hall project budget was carried over to the next financial year 2010/2011, and it's about to be completed and handed over.

- Should the Thusong Centre be included in this report and yet it has not yet been constructed since a Tender advert has recently been issued for construction during the 2010/11 year. Schedule of projects on page 56 just shows initiatives, not necessarily budget spent on each of those projects. The report should then show amounts spent for each of the projects that appear on the Projects planned for the year under review.
- Ekupholeni Hall budget also questioned – CFO still to check and give the exact figure. Committee requested that such should be checked and verified.
- Regarding Social Welfare building renovation value also questioned, and confirmed by GM: Technical Services as the correct amount spent since it was really a major renovation. This was also confirmed by Councillor Mungroo. Ward Committees updates comment noted.
- The municipality should come up with strategies to improve debt recovery since this will assist the municipality to address the high rate of unemployment within the municipality.
- Municipality commended for LED initiatives such as Overseas partnerships aimed at developing skills for job creation (e.g Vietnam training).
- Concern raised concerning Irregular Expenditure. Response given was that the irregular expenditure was for the 2008/09, and was rectified during the year under review. Irregular expenditure referred to was included in the report for comparison purposes.
- Recycling of refuse should be considered as part of LED job creation initiatives.

5. RECOMMENDATIONS

In view of the above it is recommended that Council resolves that:

4.1 The Council, having fully considered the 2009 / 2010 Annual Report of the uMshwathi Municipality (through its Oversight Committee) and representations thereon, adopts this Oversight Report; and

Council approves the Annual Report with amendments raised above.

CLLR AT THUSI

CHAIRPERSON

UMSHWATHI MUNSCOPA